



SECRETARIAT

U.S. COMMODITY FUTURES TRADING COMMISSION

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November 21, 2002

02-13
NCS

Mr. Richard J. McDonald
Managing Director
Product Development
Chicago Mercantile Exchange, Inc.
30 South Wacker Drive
Chicago, Illinois 60606-7499

Re: Request of the Chicago Mercantile Exchange for Commission Approval of
Amendments to the Spot-Month Speculative Position Limit Provisions of the Live
Cattle Futures Contract (CME Submission # 02-101)

Dear Mr. McDonald:

The Chicago Mercantile Exchange (CME or Exchange) submitted the referenced amendments in letters dated October 18, 2002, and November 20, 2002. The amendments were submitted for Commission approval pursuant to Section 5c(c)(2) of the Commodity Exchange Act (Act) and Commission Regulation 40.4.

The CME live cattle futures contract's speculative position limit rules currently specify an individual contract month limit of 3,300 contracts, a "scale down" spot-month speculative position limit of 600 contracts that becomes effective at the close of business on the first business day following the first Friday of the contract month, and a 300-contract spot-month limit that becomes effective at the close of business on the business day immediately preceding the last five business days of the expiring contract month. The proposed amendments will eliminate the "scale down" limit of 600 contracts, and require that speculative positions be reduced immediately to 300 contracts as of the close of business on the first business day following the first Friday of the contract month.

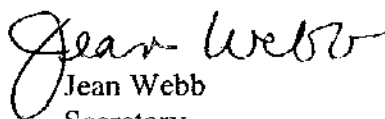
The Exchange intends to make the proposed amendments effective upon Commission approval for the December 2002 through October 2003 futures contract months. In regard to the December 2002 contract month, the CME will not apply the amendments to positions that exceeded 300 contracts on November 21, 2002 ("current positions"), subject to the following *provisos*. First, accounts with current positions of 300 or fewer contracts must not exceed 300 positions after the close of business on Monday, December 9, 2002. Second, accounts with current positions in excess of 300 contracts but not more than 600 contracts must not exceed their current position from the close of business on December 9, 2002, until Monday, December

23, 2002, at which time the 300 contract limit shall apply. Third, accounts with current positions in excess of 600 contracts must be reduced to 600 or fewer contracts beginning with the close of business on Monday, December 9, 2002, and must be reduced further to 300 or fewer contracts beginning with the close of business on Monday, December 23, 2002.

Under the implementation plan, all speculative position holders must comply with the revised 300-contract limit for the February through October 2003 contract months regardless of their position size as of November 21, 2002.

This is to inform you that the Commission has approved the amendments for the live cattle futures contract. In approving the amendments, the Commission also understands from the CME's statement in its submission of October 18, 2002, that the Exchange will "propose changes to deliverable weights and spot position limits for the December 2003 and subsequent contract months" which would address deliverable supply concerns on the live cattle futures contract.

Sincerely,


Jean Webb
Secretary